Message Text

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INFO OCT-01 EUR-12 IO-13 ISO-00 CIAE-00 DODE-00 INR-07 NSAE-00 PA-02 USIA-15 PRS-01 SP-02 FEA-01 ERDA-07 AID-05 CEA-01 COME-00 EB-08 FPC-01 H-02 INT-05 L-03 NSC-05 OMB-01 PM-04 OES-06 SS-15 STR-04 TRSE-00 ACDA-10 /139 W

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FM AMEMBASSY LONDON

TO SECSTATE WASHDC 2385

INFO AMEMBASSY PRETORIA

AMEMBASSY MAPUTO

AMEMBASSY DAR ES SALAAM

AMEMBASSY LAGOS

AMEMBASSY LUSAKA

AMEMBASSY NAIROBI

AMEMBASSY KINSHASA

AMEMBASSY GABORONE

AMCONSUL CAPE TOWN

USMISSION USUN NEW YORK

UNCLAS LONDON 05653

FOR EMBASSY CAPE TOWN

E.O. 11652: N/A

TAGS: PFOR, RH, UK

SUBJECT: THE OBSERVER ARTICLE

THE FOLLOWING ARTICLE BY DAVID MARTIN APPEARED IN THE APRIL 3 ISSUE OF "THE OBSERVER" UNDER THE HEADLINE, KAUNDA MAY SUE BP AND SHELL.

BEGIN TEXT: ZAMBIA IS 'ACTIVELY CONSIDERING' LEGAL ACTION AGAINST FIVE WESTERN OIL COMPANIES, INCLUDING BRITISH PETROLEUM, FOR 'OILING RHODESIA'S WAR MACHINE' IN ALLEGED DEFIANCE OF UNITED NATIONS SANCTIONS. UNCLASSIFIED

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IN AN EXCLUSIVE INTERVIEW IN LUSAKA, ZAMBIA'S PRESIDENT, KENNETH KAUNDA, SAID HE FOUND IT 'INCREDIBLE' THAT BRITAIN CLAIMED NOT TO KNOW THAT A BRITISH-OWNED COMPANY WAS SUPPLYING OIL TO RHODESIA.

BP IS 48 PERCENT OWNED BY THE BRITISH GOVERNMENT.

THE OTHER COMPANIES ARE SHELL, WHICH IS DUTCH-OWNED.

CALTEX AND MOBIL, WHICH ARE AMERICAN. AND THE FRENCH

COMPANY TOTAL.

RELIABLE SOURCES BELIEVE THAT A DECISION HAS ALREADY BEEN TAKEN AT THE POLITICAL LEVEL TO GO AHEAD WITH LEGAL ACTION. MOVES COULD INVOLVE THE FREEZING OF COMPANY ASSETS IN ZAMBIA AND OTHER AFRICAN COUNTRIES WHERE ACTIONS MIGHT BE BROUGHT.

PRESIDENT KAUNDA SAID HE PROTESTED IN JANUARY TO MR. IVOR RICHARD, CHAIRMAN OF THE GENEVA CONFERENCE ON RHODESIA, WHEN HE VISITED LUSAKA AFTER THE RHODESIAN LEADER, IAN SMITH, CLOSED THE DOOR ON NEGOTIATIONS.

LATER HE HAD RECEIVED A LETTER FROM MR. CALLAGHAN SAYING THAT THE BRITISH GOVERNMENT KNEW NOTHING ABOUT

SAYING THAT THE BRITISH GOVERNMENT KNEW NOTHING ABOUT BRITISH COMPANIES BREAKING SANCTIONS THROUGH OIL SUPPLIES AND PROMISING TO INVESTIGATE.

THERE HAD BEEN A CONSPIRACY AGAINST ZAMBIA AND AFRICA BY WESTERN OIL COMPANIES AND GOVERNMENTS, PRESIDENT KAUNDA SAID ANGRILY. ZAMBIA HAD BEEN GRATEFUL TO BRITAIN WHEN, AFTER THE RHODESIAN UDI, IT HAD HELPED AIRLIFT DESPERATELY NEEDED FUEL TO ZAMBIA. BUT THEN ZAMBIA HAD DISCOVERED A BRITISH OIL COMPANY WAS ALSO HELPING TO SUPPLY SMITH.

PRESIDENT KAUNDA SAID LAST WEEK HE THOUGHT THAT THE FIRST PROSECUTIONS MIGHT TAKE PLACE IN ZAMBIA, AND THERE-AFTER CASES COULD BE BROUGHT IN THE UNITED STATES, BRITAIN AND FRANCE. 'BY STOPPING THE FLOW OF OIL TO RHODESIA WE CAN STOP THE WAR IN RHODESIA, SAVING THOUSANDS OF LIVES.'

COLIN LEGUM WRITES: A SPOKESMAN FOR SHELL INTERNATIONAL IN LONDON YESTERDAY DENIED THAT THE COMPANY WAS IN UNCLASSIFIED

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ANY WAY EVADING SANCTIONS.

'OUR COMPANIES IN SOUTH AFRICA OPERATE UNDER GOVERN-MENT DIRECTION AND ARE UNABLE TO REFUSE TO SUPPLY CUSTOMERS OR TO CONTROL THE ULTIMATE DESTINATION OF PRODUCTS SO SOLD,' THE SPOKESMAN SAID. 'ALL SHELL COMPANIES OPERATE UNDER THE LAWS OF THE COUNTRIES IN WHICH THEY EXIST.'

THE FOREIGN SECRETARY, DR. DAVID OWEN, WILL TAKE A FULL BRIEF WITH HIM ON RELATIONS BETWEEN THE BRITISH GOVERNMENT AND BRITISH OIL COMPANIES WHEN HE LEAVES NEXT WEEK FOR TALKS WITH PRESIDENT KAUNDA AND OTHER AFRICAN AND SOUTH AFRICAN LEADERS. END TEXT

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Subject: THE OBSERVER ARTICLE THE FOLLOWING ARTICLE BY DAVID MARTIN APPEARED IN THE APRIL 3 ISSUE OF \"THE OBSERVER\"

UNDER THE HEADLINE
TAGS: PFOR, RH, UK, (KAUNDA, KENNETH)

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